

VZCZCXRO6990
PP RUEHAG RUEHBI RUEHCI RUEHDBU RUEHLH RUEHNEH RUEHPW RUEHROV RUEHSL
RUEHSR
DE RUEHAH #1665/01 3630914
ZNY CCCCC ZZH
P 290914Z DEC 09
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 3971
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 6049
RUEHBJ/AMEMBASSY BEIJING 3743
RUEHKO/AMEMBASSY TOKYO 3602
RUEHIT/AMCONSUL ISTANBUL 4291
RHEHNSC/NSC WASHDC
RHMCSUU/CDR USCENTCOM MACDILL AFB FL
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEKJCS/JOINT STAFF WASHDC
RUEKJCS/SECDEF WASHINGTON DC
RUEHVEN/USMISSION USOSCE 4228
RUCNDT/USMISSION USUN NEW YORK 1351
RUCPDOG/DEPT OF COMMERCE WASHDC
RHEBAAA/DEPT OF ENERGY WASHDC
RUEATRS/DEPT OF TREASURY WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001665

SIPDIS

STATE FOR SCA/CEN, EEB

E.O. 12958: DECL: 12/28/2019

TAGS: [EAID](#) [ETRD](#) [PREL](#) [JA](#) [TX](#)

SUBJECT: TURKMEN PRESIDENT'S VISIT TO JAPAN NOT A PANACEA
FOR JAPANESE COMPANIES

REF: A. ASHGABAT 1060

[1](#)B. ASHGABAT 1286

Classified By: Charge d'Affaires Sylvia Reed Curran. Reasons 1.4 (B) and (D).

[1](#)1. (C) SUMMARY: Turkmen media spent several days giving headline coverage to President Berdimuhamedov's recent visit to Japan. Although they painted the trip as successful, a Japanese Embassy official was more cautious, saying that the visit was more productive economically than politically. Even in the commercial realm, while Japanese companies signed agreements with the Turkmen Government, those deals were not purchase contracts and did not afford the companies any guarantees. Still, engagement at a high level seems the only way to get one's foot in the door with the Turkmen government, and the Japanese scripted a visit that demonstrated to the Turkmen that Japan is serious about advancing their relationship. END SUMMARY.

FEW POLITICAL AGREEMENTS

[1](#)2. (U) Turkmenistan President Berdimuhamedov traveled to Japan from December 16-18 on his first presidential visit to that country. Turkmen state-run newspapers ran front page stories during the visit, which showed pictures of Berdimuhamedov with Prime Minister Hatoyama, Emperor Akihito, and a range of executives of Japanese companies. The newspaper coverage focused on the growing political and economic relationship between the two countries and listed numerous examples including the Japanese Embassy in Ashgabat, the continued meetings of the bilateral economic commission, the new projects that the Japanese International Cooperation Agency (JICA) has started, and Berdimuhamedov's meetings with private Japanese companies, including Mitsubishi, Kawasaki, Sojitz, and Komatsu.

[1](#)3. (C) Tetsuro Chida, the Special Advisor to the Charge of Affaires at the Japanese Embassy in Ashgabat, related to Poloff Japan's views on the visit of Berdimuhamedov to Japan.

He said that the visit was more successful economically than it was politically. Two political agreements were signed during the three-day trip, which Chida assessed as "not many." Berdimuhamedov and the Japanese Prime Minister signed a joint statement, and the Ministries of Foreign Affairs concluded an agreement on cooperation. Other planned agreements, including one on technical cooperation, were not signed because the two sides were not able to finalize the details. Chida added that JICA had hoped to sign agreements with the Turkmen Government on a seismology study and the modernization of the port at Turkmenbashi (Ref A), but details were still being discussed. He hoped the agreements would be ready by March.

MORE ECONOMIC DEALS

¶4. (C) Chida said that the visit was more successful economically because the bilateral economic commission met for the eighth time (Ref B), and because private companies signed a total of four deals with the Turkmen Government. As part of the bilateral economic commission, the Turkmen and Japanese Governments signed a protocol document and an agreement on development in the fields of economics and statistics. Chida noted that the development project would be implemented by private companies on the Japanese side, but the Turkmen partner would, of course, be the government.

¶5. (C) Three of the four deals signed by Japanese companies were for projects at chemical factories. Sojitz Corporation was offered a project valued at \$600 million at a factory in Mary. The Turkmen Government would use money from the Japanese Development Bank to finance this project. Two other

ASHGABAT 00001665 002 OF 002

projects were in Tejen and in Balkan province. In addition, Japanese companies Itochu and JGC entered into agreements with TurkmenGas on projects in Turkmenbashi. Chida placed several caveats on his positive assessment of these deals. The first was that he did not know all the details of private companies' agreements. The second was that none of these deals were contracts. Most of these projects could be considered to be still at the beginning stages. By way of emphasizing that point, Chida mentioned that Japanese company Komatsu in 2008 had signed an agreement with the Turkmen Government for 200 tractors. Komatsu thought the agreement was definite, but the Turkmen Government did not buy the tractors. Komatsu still has a negative attitude about doing business in Turkmenistan, although they did put a lot of money into Berdimuhamedov's visit.

¶6. (C) Poloff asked Chida if Turkmenistan had bought 1,000 taxis from Japanese companies, as was rumored. Chida said that there had been some problems that prevented a final deal. An agreement, but not contract, had been signed between the Turkmen Government and Toyota in February 2009. However, the price that the Turkmen Government offered was too low, and they wanted to buy directly from Japan, whereas Toyota wanted to sell the cars the "normal way," through the dealership in Ashgabat. Chida did not say that there would be no deal, but he did imply that many problems would need to be smoothed out before one was concluded.

TURKMEN STUDENTS TO JAPAN

¶7. (C) Veering off the topic of the visit, Chida asked Poloff if Embassy Ashgabat usually reported the names of Turkmen students traveling to the United States to the Ministry of Education. He said that last year the Japanese Government had sponsored one Turkmen student to go to university in Japan, and that student was hand-picked by the Turkmen Government. Next year, the Japanese Embassy plans to send three Turkmen students to Japan for Master's degrees in various specialties, including energy and Japanese language. This time the Japanese Embassy chose the students, not the Turkmen Government, and the Ministry of Education is requesting the students names. Chida said his Embassy had not yet decided whether to honor the Ministry's request.

18. (C) COMMENT: Berdimuhamedov's visit to Tokyo was a perfect occasion for Turkmen state media to portray the president as a "world leader," highlighting meetings with the prime minister and emperor. However, appearances aside, the Japanese were not able to finalize key deliverables, especially in the non-commercial sphere. Even on the business side, Japanese companies weren't able to get firm commitments from the Turkmen Government, but only agreements to draft projects that may or may not lead to further business, as Komatsu's experience illustrates. Still, engagement at a high level seems the only way to get one's foot in the door with the Turkmen government, and the Japanese scripted a visit that demonstrated to the Turkmen that Japan is serious about advancing their relationship.
END COMMENT.
CURRAN